

Message Text

CONFIDENTIAL

PAGE 01 AMMAN 09624 261023Z

ACTION NEA-07

INFO OCT-01 SS-14 ISO-00 EB-04 NSC-05 SP-02 TRSE-00
INR-05 CIAE-00 USIA-01 DODE-00 PM-03 ACDA-10 /052 W
-----012721 261025Z /10

R 260741Z DEC 77

FM AMEMBASSY AMMAN

TO SECSTATE WASHDC 4425

C O N F I D E N T I A L AMMAN 9624

LIMDIS

E.O. 11652: XGDS-2 IMPDET

TAGS: EFIN, JO

SUBJECT: PROSPECTS FOR GOJ 1978 BUDGET

REF: AMMAN 8809

1. IN CONVERSATION WITH EMBOFF, UNDERSECRETARY OF FINANCE, FARHI OBAID, REVEALED FOLLOWING INFORMATION REGARDING STATUS OF DRAFT 1978 BUDGET. AS OF DECEMBER 21, THIS INFORMATION WAS HELD BY ONLY SMALL NUMBER OF GOJ OFFICIALS AND HIS DISCLOSURE TO EMBOFF WAS WITHOUT THEIR KNOWLEDGE AND CERTAINLY WITHOUT THEIR APPROVAL.

2. 1978 REVENUES ARE PROJECTED AS FOLLOWS: (JD MILLIONS)

TOTAL FROM DOMESTIC SOURCES	162	
FOREIGN CASH GRANTS	94	
CONCESSIONAL FOREIGN ECONOMIC DEVELOPMENT LOANS		82
MIXED FOREIGN (USG) AND DOMESTIC LOANS	10	
DOMESTIC BORROWING	15	
TOTAL	363	
EXPENDITURES ARE ESTIMATED AT: (JD MILLIONS)		
RECURRING EXPENDITURES	210	
CAPITAL EXPENDITURES	94	

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 AMMAN 09624 261023Z

CONCESSIONAL FOREIGN DEVELOPMENT LOANS	82
TOTAL	386

3. AS CURRENTLY PROEJCTED, 1978 BUDGET INCLUDES UNCOVERED DEFICIT OF 23 MILLION JD. UNTIL EARLY DECEMBER THIS AMOUNT HAD BEEN 16 MILLION JD. HOWEVER, AT THAT POINT BUDGET HAD BEEN PREPARED WITHOUT DISCUSSIONS

WITH JORDANIAN MILITARY, WHICH PRESENTED MINISTRY OF FINANCE WITH BUDGET OF ITS OWN IN EXCESS OF 100 MILLION JD WHILE MINISTRY HAD INCLUDED ONLY 78 MILLION JD FOR MILITARY IN ITS DRAFT. APPARENTLY, MILITARY AND MINISTRY OF FINANCE ARE STILL NEGOTIATING 1978 MILITARY ALLOCATION. ESTIMATE OF RECURRING EXPENDITURES IN PARAGRAPH #2 ABOVE INCLUDES MINISTRY OF FINANCE'S PRESENT POSITION THAT NO MORE THAN 85 MILLION JD CAN BE BUDGETED FOR MILITARY NEXT YEAR.

4. OTHER THAN UNSETTLED MILITARY BUDGET AND PERENNIELLY QUESTIONABLE HOPES THAT BUDGET SUPPORT ESTIMATED WILL MATERIALIZE, BUDGET HAS OTHER PROBLEMS. OBAID, WHO HAS FOR SEVERAL YEARS KEPT GOJ BUDGET IN HIS HEAD, WAS EXCLUDED FROM PREPARATION OF 1978 BUDGET. IN ORDER TO GAIN CONTROL OF HIS MINISTRY, MINISTER OF FINANCE PREPARED BUDGET WITHOUT OBAID'S PARTICIPATION. OBAID HAS TOLD US THAT AS RESULT EXPENDITURES HAVE BEEN UNDERSTATED IN NUMBER OF AREAS TO TOTAL OF ABOUT 20 MILLION JD IN ADDITION TO 23 MILLION JD UNCOVERED DEFICIT THAT IS ACKNOWLEDGED. ENTIRE DEFICIT MAY FINALLY BE ELIMINATED IN 1978 PUBLISHED BUDGET DOCUMENT TO EMERGE GRADUALLY DURING COURSE OF 1978 IN FORM OF BUDGET SUPPLEMENTS WHICH DO NOT RECEIVE PUBLICITY. AT WORST THIS DEVICE PREVENTS DEFICIT FROM BECOMING PUBLIC KNOWLEDGE AT LEAST UNTIL

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 AMMAN 09624 261023Z

END OF YEAR AND PERHAPS EVEN LONGER. AT BEST, UNANTICIPATED REVENUES (I.E., INCREASED BUDGET SUPPORT) RECEIVED DURING YEAR WOULD REDUCE OR EVEN ELIMINATE DEFICIT BY END OF YEAR, WHICH WAS CASE IN 1977.

5. COMMENT -- OBAID HAS IN PAST PROVIDED EMBASSY WITH ACCURATE BUDGETARY INFORMATION WHICH OTHER ELEMENTS OF GOJ WOULD PREFER BE HELD. HE HAS ALSO BEEN EFFECTIVELY JORDAN'S WALKING BUDGET DOCUMENT. WITHOUT HIS PARTICIPATION IN PREPARATION OF 1978 BUDGET, THERE IS INDEED LIKELY TO HAVE BEEN NUMEROUS ERRORS. HE ALSO, HOWEVER, HAS PERSONAL INTEREST IN DEMONSTRATION THAT BUDGET CANNOT BE PREPARED WITHOUT HIM, AND FRICTION BETWEEN HIM AND HIS MINISTER IS FAIRLY WIDESPREAD KNOWLEDGE. IN THIS CASE, THEREFORE, EXTENT OF LIKELY 1978 BUDGET DEFICIT MAY NOT BE SO BAD AS HE PORTRAYED. THAT THERE IS ANTICIPATED SERIOUS PROBLEM IS ALMOST CERTAIN -- AS IN RECENT HISTORY OF BUDGET THERE HAS ALWAYS BEEN SERIOUS PROBLEM. END COMMENT.

PICKERING

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUDGETS
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Dec-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977AMMAN09624
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X2 IMPDET
Errors: N/A
Expiration:
Film Number: D770481-0544
Format: TEL
From: AMMAN
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771218/aaaaaofy.tel
Line Count: 115
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f9680efd-c188-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 78 AMMAN 8809
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 130598
Secure: OPEN
Status: NATIVE
Subject: PROSPECTS FOR GOJ 1978 BUDGET
TAGS: EFIN, JO
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/f9680efd-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009